

SENATE BILL No. 68

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-7-10.

Synopsis: Electronic consent for insurer board action. Provides for electronic consent to insurance company board actions.

Effective: July 1, 2009.

Paul

January 7, 2009, read first time and referred to Committee on Insurance and Financial Institutions.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

SENATE BILL No. 68

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 27-1-7-10 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 10. (a) The business of
3 every corporation shall be managed by a board of directors, composed
4 of not less than five (5) nor more than the maximum number fixed in
5 the articles of incorporation. The exact number of directors to serve for
6 each year shall be determined from time to time, in such manner as the
7 bylaws prescribe.
8 (b) The first board of directors shall be elected by the incorporators
9 and shall hold office until the first annual meeting of the shareholders,
10 members or policyholders. At the first annual meeting of the
11 shareholders, members or policyholders, and at each annual meeting
12 thereafter, directors shall be elected by the shareholders, members or
13 policyholders for the term or terms hereinafter prescribed.
14 (c) The articles of incorporation or the bylaws may provide that the
15 directors may be divided into two (2) or more classes whose terms of
16 office expire at different times, but no term shall continue longer than
17 six (6) years. In the absence of such provision, each director, except

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members of the first board of directors, shall be elected for a term of one (1) year and shall hold office until the director's successor is elected and has qualified.

(d) Any vacancy which may occur in the membership of the board of directors, caused by an increase in the number of directors or otherwise (except death, resignation, or disqualification), shall be filled by a majority vote of the remaining members of the board, until the next annual meeting of the shareholders, members or policyholders. A vacancy in the membership in the board of directors caused by death, resignation or disqualification of a member shall be filled by a majority vote of the remaining membership of the board for the unexpired term of the directorship.

(e) A majority of the whole board of directors is necessary to constitute a quorum for the transaction of any business except the filling of vacancies, and the act of a majority of the board of directors present at any meeting at which a quorum is present is the act of the board of directors, unless a greater number is required by this article, or by the articles of incorporation or the bylaws.

(f) The board of directors may, by a resolution adopted by a majority of the whole board, pursuant to a provision of the bylaws, designate two (2) or more of their number to constitute an executive committee, which, to the extent provided in that resolution or in the bylaws, has all of the authority of the board of directors in the management of the corporation, during the interval between the meetings of the board, but the designation of the committee and the delegation to the committee of such authority does not operate to relieve the board of directors or any member of the board of directors of any responsibility imposed upon it or the member by this article. The minutes of each meeting of the executive committee shall be read at the next succeeding meeting of the board of directors.

(g) Meetings of the board of directors may be held at such time at the principal office of the corporation or at such other place as may be unanimously designated by the board of directors, and upon the notice provided in the bylaws. Unless otherwise provided by the articles of incorporation or bylaws, a member of the board of directors or of a committee designated by the board may participate in a meeting of the board or committee by means of a conference telephone or similar communications equipment by which all persons participating in the meeting can communicate with each other, and participation by these means constitutes presence in person at the meeting.

(h) Unless otherwise provided in the articles of incorporation or bylaws, an action required or permitted to be taken at a meeting of the

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board of directors or of a committee of the board may be taken without a meeting if:

(1) before the action is taken, a written **or electronic** consent to the action is signed by all members of the board or of the committee; and

(2) the written **or electronic** consent is filed with the minutes of the proceedings of the board or the committee.

(i) Every director, when elected, shall take and subscribe an oath that he will, insofar as the duty devolves upon him, faithfully, honestly and diligently administer the affairs of such corporation, and that he will not knowingly violate or willingly permit to be violated any of the provisions of law applicable to any such corporation.

(j) A director may be removed in any manner provided by the articles of incorporation. Unless the articles of incorporation provide otherwise, a director may be removed, with or without cause, by a majority vote of:

(1) the shareholders of a stock company;

(2) the members or policyholders of a mutual company qualified to elect directors; or

(3) the directors.

(k) A director may be removed under this subsection:

(1) only at a meeting called for the purpose of removing the director; and

(2) the meeting notice must state that the purpose, or one (1) of the purposes, of the meeting is removal of the director.

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